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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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B-194955

October 2, 1979

*Do not disseminate to public reading*

The Honorable Gordon J. Humphrey  
United States Senate

Dear Senator Humphrey:

This is in response to your request that this Office investigate allegations made by Mr. Allison T. French, Director, Labor Relations, Florida Farm Bureau Federation, that appropriated funds have been improperly expended by a grantee of two Federal agencies for union activities.

Mr. French alleges that Federal funds granted by ACTION and by the Community Services Administration, (CSA) to the National Association of Farmworkers Organization (NAFO), for projects to assist migrant farm workers, are being utilized to assist the United Farm Workers Union in its promotion of a nationwide boycott by the public of "Chiquita" brand bananas. Mr. French states that César Chavez, president of the United Farm Workers Union, during an April 12, 1979, television appearance urged supporters to contact the Union's boycott office at 1329 "E" Street, N.W., Washington, D.C. The District of Columbia telephone directory contains a listing at this address for NAFO, but not for the United Farm Workers Union.

Under a grant from CSA, NAFO maintains the National Information Network Assistance (NINA), a service to provide assistance to migrant farm workers throughout the country. This service includes a nationwide toll free telephone hotline at the NAFO headquarters in Washington, D. C., to provide assistance to farmworkers regarding such items as housing, health care and employment opportunities.

On May 8, 1979, Mr. French called NAFO's hotline for migrant farm workers and asked for information about the United Farm Workers Union boycott of "Chiquita" brand bananas in Florida. He states that a Mrs. Padilla was called to the phone to respond to his request. Mr. French states that from the description of boycott personnel and facilities provided by Mrs. Padilla on the hotline, it appeared that she was describing the facilities of the United Farm Workers Union rather than those of the NAFO. Accordingly, Mr. French believes that Federal grant funds provided NAFO are being diverted to support the union activities of the United Farm Workers Union or that NAFO is an agent or "front" for the United Farm Workers Union designed to obtain Federal funds to use in support

of the union. (In this regard, the Community Services Administration has told us that the Union temporarily used space in NAFO headquarters and has since moved to a permanent location with the AFL-CIO headquarters.)

As a part of our investigation of Mr. French's allegations, we contacted NAFO, the grantee and the Community Services Administration, the grantor agency for the hotline and requested an explanation of the events described above. NAFO provided the following explanation: NAFO is a national coalition of 70 farm worker-governed, community based organizations. The United Farm Workers Union is not and has never been a member of NAFO. However, the Farm Worker Institute for Education and Leadership Development (FIELD), a farmworker organization closely associated with the United Farm Workers AFL-CIO has been a NAFO member for about one year.

The Association provides a series of services and benefits to member farm worker organizations. For example, NAFO makes its office facilities available to out-of-town officials and staff persons of member organizations that are visiting Washington, D.C. NAFO contends that the services provided to FIELD are no different than services provided to other member organizations. Moreover, NAFO states that its relationship with FIELD is identical to the relationship between the Association and any other member organization. At the time Mr. French called, Mr. and Mrs. Padilla, who are represented on the Board of FIELD and are also employees of the United Farm Workers Union, were present in the Association offices on other business. When Mr. French requested information on the Chiquita banana boycott, the NAFO employee servicing the hotline asked Mrs. Padilla to respond. Since Mrs. Padilla was not asked by the caller whom she represented, (NAFO or the union), it apparently did not occur to her to identify herself as representing the union.

The CSA as the grantor agency also reported the results of its investigation of the allegations. After initially determining that the incident was an isolated occurrence and that no violation of applicable statutory or regulatory provisions or grant condition had occurred, it subsequently concluded that Mrs. Padilla's response to Mr. French concerning the United Farm Workers Union boycott " \* \* \* went beyond the mere relay of information and thus constituted a breach of Agency regulations prohibiting the use of equipment to support a union activity. " These regulations are contained 45 CFR §§ 1068.8-2 et seq. (1979), copy enclosed. CSA states:

"Mr. French's May 11, 1979 letter to Representative Ireland and the affidavit attached thereto, relate two different inquiries that Mr. French could have made. In paragraph four of his letter, he says that he 'asked for information about UFW's boycott of Chiquita bananas in Florida.' In his affidavit he states that he 'asked if anybody in Gainesville

was working on the Chiquita banana boycott.' Assuming that this is what he actually asked, the reply went beyond permissible bounds in that it included unsolicited information on a subject matter which is a union activity and thus, inferentially the response sought to support that activity.

"Generally, an inquiry by a migrant about the nature of a given labor market could be responded to without concern. Where, however, that inquiry touches upon a labor market related matter, a boycott, which may also be a union activity, the reply should provide responsive information solely, otherwise the response ceases being neutral."

CSA's regulations not only restrict grantees and their employees from using Federal funds to engage in or support union activities but also place an affirmative duty on grantees not to permit the use of Federal funds or equipment by others for prohibited activities. Since--according to CSA--Mrs. Padilla's response on the federally supported hotline to the inquiry concerning the United Farm Workers boycott went beyond the mere relay of general information so as to constitute support of a union activity, there was an improper use of the grantee's federally supported equipment.

The improper expenditure of grant funds in the case at hand would be the amount expended for leasing the hotline during the increment of time that Mrs. Padilla informed Mr. French about United Farm Workers boycott activities in Florida, a matter of a few minutes, and the administrative and overhead costs of the grant associated to this period. Because the amount of funds expended improperly in connection with this one isolated incident is so small, it would not be cost effective to attempt recovery. Hence we shall not require that such funds be recouped from the grantee. 4 CFR Part 104.

CSA states that even though this appears to have been an isolated incident, it plans to take corrective actions to prevent a recurrence. In an August 10, 1979 letter to us it states:

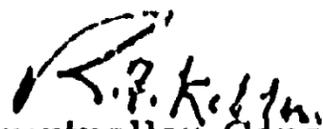
"Admittedly, there may be a fine line between responding to a request for boycott/labor market information and providing information in support or opposition to a boycott; and even though the situation in which this issue arose was isolated, the goal of assuring that migrants receive responsive and legitimate information warrants drawing a line rather than simply forbidding any response regarding a boycott. We are, therefore, looking to establish guidelines which assure the timely relaying of job market information while delineating the permissible bounds in which it may be relayed. To this end we are presently consulting with NAFO. As we develop appropriate guidelines, we will forward for your information."

B-194955

This would appear to prevent further misuse of the hotline and no further action on our part is necessary.

We trust we have been responsive to your request.

Sincerely yours,

  
Deputy Comptroller General  
of the United States

Enclosure